

General motor's mission statement

Business



General Motor's mission statement states that the corporation will provide "products and service of such quality that our customers will receive superior value" and mentions that employees, business partners and stock-holders will share in the success. GM shares are valued somewhere around two dollars a share, and it is widely known that without the government bailout, the big three auto makers are in serious trouble, and perhaps that is true even with the government bailout. GM's labor costs are 22% higher than Toyota or Nissan.

GM's production time per vehicle is a full five hours greater than Toyota, and non-skilled workers, assembly line workers, make on average five dollars more per hour with General Motors. According to nospeedbumps.com, healthcare costs of workers are taking an even greater toll on GM products and consumers. Each health care policy on a worker or member of management employed by GM adds about \$1600 to each vehicle cost. With Toyota it is only \$200. GM is about to be surpassed by Toyota as the largest car manufacturer in the world.

The unions have a strangle hold on General Motors, and even with the "no strings" attached bailout money from Congress, if approved, a mere twenty-five billion dollars among The Big Three Automakers, it is possible that many more jobs will be lost at GM as well as the other manufacturers. It is possible GM is headed for bankruptcy. Does GM provide superior value? 2 Part of the problem is GM's job bank. Detnews.com states that many union workers who are not even working at plants still draw full wages.

12, 000 workers for the Big Three are paid to sit around and not work. They show up and do nothing and draw on average \$31 per hour. The United Auto
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Workers had this included in their latest contract, but as one economist states, " It's just a huge albatross around [The Big Three's] neck. " I could not see myself working for such a socially irresponsible company. These jobs are likely to all go overseas anyway. It will be a huge burden on Michigan's economy as well as a travesty for the rest of the United States, if this happens.

But in this time of huge billion dollar bailouts, do we, as a nation, want to bail out companies with no game plan for delivering superior goods and services. The bonus packages are immense, the CEO compensation is ridiculous, all as the American consumer suffers in a huge recession. Each CEO of the Big Three has been on Capitol Hill this week, and not one of them flew there on a commercial airline. All three of the CEO's took private jets, totaling somewhere according to Fox News between 20 and 25 million dollars that taxpayers and stock-holders must afford.

In economic times as poor as these, that's reprehensible. Financially the corporation is, as has been stated, in dire straits. GM is 84% off its 52 week high, and has become a speculative play for investing as close as it is to bankruptcy. The corporation is having a major contraction, worse than many of its counterparts on the Dow Jones Industrial Average with perhaps the notable exception of Citi Group. Citi Group, however, is one corporation receiving part of the 700 billion Does GM provide superior value?

3 dollar bailout already passed by Congress. The three year high for GM was at \$45 per share according to msn. com, so this shows an even worse contraction, which has steadily driven the stock down to around \$2 per share price. Profit margins are down over 21% for the one year period. EPS is off

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\$38 while sales have not been that terrible. This imbalance indicates something is vastly wrong with this company. GM's new advances in automotive engineering or products are kept tightly guarded.

Business Week claims the 18 new products of GM might keep it afloat. GM is designing new interiors, the business magazine did give away, and it speculated that these will be for smaller, yet roomy automobiles. GM may have finally gotten the global economic message of competition and the times we live in. I would not likely rush out and buy any new car just yet. Advances in technology are sure to take shape in the next couple of years, which 2010 incidentally, if not sooner, is when GM renegotiates its contract with the UAW.

If GM is still in play by then, the newer products might be a superior value, but to answer that question as to date: the answer is a resounding no. GM does not provide superior products or value. 4 Reference Page Job Banks Pay 12, 000 workers [Electronic version]. Retrieved November 18, 2008 from <http://www.nospeedbumps.com> Health care adds to vehicle cost [Electronic version]. Retrieved November 18, 2008 from [DETNews.com](http://www.DETNews.com) Microsoft (2008) Money Central Retrieved November 18, 2008 from <http://www.msn.com> Neil Cavuto. 2008, 11, 18. Fox News. New York, NY. Not Death Knell for GM. Business Week. 11(1). 32-35.